

**Remarks of the Honorable Dan Burton, Chairman
Subcommittee on Europe and Eurasia
Committee on Foreign Affairs
U.S. House of Representatives**

Hearing on: “European and Eurasian Energy: Developing Capabilities for Security and Prosperity”

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For decades, energy and energy security have been global concerns. All economies, developed and developing, need reliable, affordable, and secure sources of energy to drive economic growth. As more nations join the cadre of developed countries, demand for energy continues to rise and the search for reliable energy and stable sources grows further.

Everyone needs energy, but it has become rare for countries to develop domestic sources because of safety and environmental concerns. This “not in my backyard” mentality has allowed Russia, North Africa, and the Middle East to become primary providers of energy. Reliance on such unstable foreign sources of energy puts U.S. and European economies at risk. As we have all witnessed in a very real way this year at the gas pump, anytime there is a global security scare, real or predicted including terrorist attacks and civil unrest, the cost of energy in global markets dramatically increases.

Under this Administration, the United States exemplifies this unhelpful “not in my backyard” mentality. We refuse to drill offshore, we refuse to drill in Alaska, and we refuse to embrace new technology such as hydraulic fracturing to extract large deposits of oil and gas from shale. Instead, the United States chooses to rely on unstable foreign sources of energy, including regimes dedicated to advancing the polar opposites of our democratic ideals. Hypocritically, we ask our foreign partners to increase production using the same technology and innovation we ourselves scorn.

This must change. We should not ask European and Central Asian countries to adopt policies and build infrastructure that we are not willing to put in place on our own soil. We cannot ask our partners to drill, build pipelines, and operate nuclear power plants if we are unwilling to do so here at home. Furthermore, we should not support ventures that further enrich bad actors in Europe and around the globe; for example, plans to connect Iranian energy with Western consumers. Every dollar that we spend on energy from such sources is a dollar given to anti-western and anti-democratic radicals.

Europe’s energy future is uncertain. Germany and Switzerland appear to share our “not in my backyard” mentality. In the wake of the emergency at Fukushima, both countries have announced their intention to forgo nuclear development. Germany alone has recently announced that they will shutter 17 reactors by 2022. As a result, these countries will be more reliant on energy from Polish coal plants, Russian gas, and Czech nuclear plants. Meanwhile, Russia uses Europe’s dependence on Russian gas to hold the region hostage. Just this week, Ukraine again opened discussions with Russia to have natural gas prices lowered. These talks come less than two years after Russia cut supplies to Ukraine bringing the country’s economy to a halt.

For over ten years, we have heard of the development of the NABUCCO pipeline and its ability to connect Western Europe with diverse energy sources in Central Asia and the Middle East. However, continuous delays have pushed back the forecast completion date for this project to 2017. Negotiations over transit rights have hampered the project while historic disputes between neighbors poison discussions and prevent resolution. In addition to NABUCCO, proposed projects including the Trans-Caspian Gas Pipeline, the Trans-Adriatic pipeline, the Arab Gas Pipeline, and other pipelines connecting Central Asia with the Balkans, all have potential to provide Europe with diverse sources of energy. The North Stream and South stream projects, which will connect Europe to Russia, are also in development. All of these proposals represent progress towards a Europe that relies on diverse sources of energy; however, we must be cautious and ensure that Europe and its partners enact these projects in a fair and transparent manner open to all investors.

All of these projects are of interest to the United States, as they will stabilize global energy prices. These projects also present opportunities for American investors. The U.S. government should work to guarantee that American companies can access these new markets and projects in a free and fair manner. The proposed European, Eurasia, and Central Asian pipelines will also provide exporting countries with new sources of revenue. This income must be used to develop infrastructure, support democratic governments, and build strong civil societies. Central Asia, the Caucasus, and the Middle East are all experiencing instability as people seek basic human rights, economic reforms and true democracy. Accordingly, the United States must work with these partners to increase transparency, the rule of law, free and fair elections and good governance. We must be careful to ensure that European and American investment strengthens democracy instead of weakening it by filling the Swiss bank accounts of autocratic leaders with the money they use to prop up their regimes.

American energy policy should be seamless at home and abroad. Our goals overseas should be our goals here in the States. Instead of the “not in my backyard” mentality, the United States and Europe must develop an “all of the above” policy that combines economically viable sources of renewable energy with environmentally responsible development of fossil fuels. Moreover, we should achieve understanding with our closest European partners that a diversified energy market will protect economies from unwanted political influence and increase connections between like-minded nations. The United States and our European partners have made considerable investments in the energy sector. We must not allow our cooperation to fragment during critical negotiations. The United States and Europe must continue to cooperate with Eastern Europe and Central Asia to achieve a diversified energy market. Only a transparent and diversified energy market will perpetuate transatlantic security and prosperity.